A sinking ship with holes in all the lifeboats?

Auto market looks grim in Chile

By Vicki Carpenter
Special Correspondent

SANTIAGO, Chile. — Recent announcements concerning the government's next five-year plan have specifically referred to the auto industry.

In general, there has been an about-face from the indiscriminate free-marketry that devastated large portions of local industry in 1981.

Motorized vehicles, unlike certain staples, are considered luxuries and have been placed in a category of heavily taxed items that also includes fine rugs and tapestries, furs, liquor and electronic equipment.

The tax increase on car sales will be 8 percent on passenger vehicles of engine size less than 850 cc and 30 percent on vehicles with larger engines. The tax will affect both nationally produced and imported vehicles (based on the final importation cost).

In addition, a heavy tax has been set on all automobiles imported at values exceeding $12,000. Needless to say, few in the industry are thrilled.

Profoundly preoccupied by the new taxes was the manager of the Automobile Salesmens' Chamber, Jose Manuel Matte, who declared to local media his visions of impending doom.

Consequences will be grave in the importation and commercialization business due to the already depressed situation of the Chilean auto industry, he declared. Matte said he does not believe the measures will prove to be a significant source of additional income for the state.

• To understand the politics of the Chilean Government, it is convenient to imagine a sinking ship in which all the lifeboats have been found to contain holes. At this point anything is worth a try.

Apart from increasing confrontation with its citizenry, the military junta continues to face some basic economic snares in the form of 30 percent unemployment, a $19 billion foreign debt (which some in economic circles are calling unpayable), 23.7 percent inflation and a constantly fluctuating dollar, mostly upward.

As has happened in other Latin American countries, the Chilean economy was crippled over recent years after a several-year boom of cheap credit and an unrealistically low dollar led to a tidal wave of free-flowing imports.

Local products never stood a chance against a 30-peso dollar —now valued at 86-87 pesos and as much as 105 on the black market. (This rate reached an excruciating high of 150 pesos last March preceding talk of another devaluation.)

Hence, anything that may foster optimism in any particular element of some industry is tossed out like a harried life preserver and without further consultation with the victims.

The surprise factor is just not going to help overcome current difficulties, said John Cunhill, Renault general manager, shortly after news of the tax increase became public. It is impossible to plan anything under these conditions, he said.

• The increase in automobile prices has already led to cancellation of some orders by customers. As price increases hit the consumer rather directly, the market is contracting further.

Matte estimated that the Datsun Pulsar, now selling at 579,000 pesos ($5,019), will rise in price to about 1,015,000 pesos ($8,799). Taxes could eventually cause a sales decline of as much as 12,000 units, said Matte.

According to Central Bank statistics, the number of imported vehicles fell from a record high of 26,800 in June, 1981, to only 398 in October.

Local production, which belongs to General Motors, Peugeot and Renault, shrunk by 60 percent in a year's time from 8,992 units during the first 10 months of 1982 to 3,564 units during the same period in 1983. Fiat and Citroen, once also set up locally, were forced to close early in the year.

Sales outlets are expected to continue closing in view of current economic policies. Of 800 establishments existing in 1981, only 200 were still viable in 1983.

In addition to the 20 percent sales tax increase for larger-engine cars, those vehicles imported at a value exceeding $12,000 will be taxed 100 percent of the excess amount. This disincentive toward the purchase of large luxury cars has not displeased everyone.

Said Andres Allende, president of Automotriz Arica: "This could be just what we needed to reopen (the plant in Arica)."

The company, of which Allende owns 89 percent, has been paralyzed since the beginning of the year. The remaining 11 percent belongs to Citroen, with whom negotiations are now under way. Allende is also talking with Nun & German and Chrysler representatives.

According to Allende, the state will collect needed fiscal funds. He said he believes a "good overall solution has been achieved that harmonizes the interests of the entire country—from consumers looking for a small car, to those local companies that fabricate medium-sized vehicles at prices compatible with buyers' means."

He said companies like Peugeot that produce high-quality vehicles at prices under $12,000 will not be affected much by the new taxes. Local industries will just have to produce vehicles in the engine-size range of 850 to 2,000 cc at compatible prices, he said.

Though Fiat executives are also restudying the situation in view of the new tax structure, a spokesman said anyone optimistic about the auto industry in Chile probably did not understand the economic plan. The Fiat plant in Rancagua remains closed in the meantime.

Toyota is especially unhappy. Management let it be known that it considered the whole plan discriminatory against larger cars and, thus, neither beneficial to the consumer nor a valid means of increasing state revenue.

Present Toyota inventory will last for the next six months since projection for 1984 sales is just 14,000 units. Thus, there will be scant income during this time. The measures will slow down sales in precisely that category which sells the most, Toyota declared.

• Apart from the new income taxes on all auto sales, a custom's surtax of 20 percent will affect all imports indefinitely beginning in March. Automobiles of engine sizes greater than 850 cc will be hit with an even higher tariff—a whopping 50 percent.

In essence, local vehicle manufacturers will have a clear advantage over importers, but the measures are late, if not too late, for companies that have already been sacrificed.

While imported automobiles will be all but out of range, locally produced units will also take a big bite out of the consumer's pocket. Though importers have little possibility of adapting sizes to new demand—due to slow-selling stock—locals will surely try to do so.

Excited as was the president of one closed-down plant, the question can seriously be posed as to whether the Chilean market offers all that much food for optimism. In the coming years, it will hurt to buy a car in Chile.

Market shares in Chile
(January-October, 1983)

Suzuki	17.0 pct.
GM	12.6 pct.
Datsun	10.5 pct.
Fiat	9.1 pct.
Peugeot	8.1 pct.
Daihatsu, Toyota, Subaru, Seat	6.4 to 7.7 pct.
Renault	3.9 pct.
Mitsubishi	3.8 pct.
Ford	1.2 pct.
Volkswagen	1.9 pct.
Mazda	1.7 pct.
Hyundai	0.9 pct.

Party marks publication of Dryfus biography

NEW YORK. — Rene Dryfus, legendary race driver and mainstay of the auto scene in this city, was honored at a party marking the publication of his biography, My Two Lives: Race Driver to Restauranteur.

Hosted by fashion designer John Weitz, the guest list was a "who's who" of the local automotive, art and social set.

But the star of the evening was Dryfus, who, with his brother Maurice, operated Le Chanteclair, a restaurant here that was the home away from home for many drivers, auto writers and industry leaders when they passed through the city.

Dryfus referred to the biography, which was written with Beverly Rae Kimes, as his "book of memories."

Half a century for McNaught

George T. McNaught, right, owner of George T. McNaught Chevrolet, Stamford, N.Y., receives Chevrolet's 50-year-dealer award from Robert E. Heithaus, Chevrolet's Syracuse zone manager.

Ford spending in Missouri increases 33 pct. for 1983

ST. LOUIS. — The Missouri economy received a $282.5 million boost from Ford Motor Co. operations during 1983, an increase of 33.25 percent from $212 million in 1982 and up 59.60 percent from $177 million in 1981.

The 1983 total, principally affecting the St. Louis and Kansas City areas, included $228.5 million in wages paid to Ford employes, $50.8 million in goods and services bought locally and $3.2 million in local and state taxes.

In the St. Louis area, Ford employe wages topped $95 million, up from $55 million in 1982. This sharp gain reflected the addition of a second shift at the suburban Hazelwood assembly plant to meet the demand for Mercury Grand Marquis and Ford Crown Victoria models.

During the year, the company bought goods and services from St. Louis area businesses valued at $10.8 million. Ford and its 2,860 St. Louis employes contributed $126,000 to the United Way.

The company's local Community Relations Committee gave more that $25,000 to St. Louis civic and charitable groups and donated automotive training equipment to several area schools.

In addition, the 259 Ford and Lincoln-Mercury dealerships in the company's St. Louis sales zones had 1983 payrolls exceeding $82 million. A year ago, 258 dealerships had payrolls of $53 million.

Robert Hurford, manager of the Hazelwood plant, said production of Mercury and Ford cars totaled 185,856 in 1983, more than double the 90,250 built in 1982.

He said that Ford is spending between $250 million and $300 million to convert the plant to production of the new Aerostar van, with production scheduled to begin late in 1984.

Albert Walker, Ford Division district sales manager, said district dealers sold 53,000 new cars and trucks in 1983, an 8.8 percent gain over the 1982 total. Eric Sonnett, L-M district sales manager, reported new car sales of 248,000, a rise of 9 percent over the previous year.

Dealers invested almost $1.8 million in new and improved facilities during the year.

R. E. Turecki, St. Louis district manager for Ford Parts and Service Division, said 1983 sales of Motorcraft-brand and other parts to local dealers and distributors exceeded $24 million.

In addition to the Hazelwood plant, Ford facilities in the St. Louis area include district offices for Ford, L-M and Ford Parts and Service divisions and Ford Motor Credit Co.

Automobile Sales in Chile—Jan.-Oct., '83
(Broken Down (Car—Truck—Jeep)

	Autos		Utility Vehicles			
	—850 cc	+850 cc	—850 cc	+850 cc	4 x 4	Total
Suzuki	562		1,528		889	2,979
GM		810		1,357	35	2,202
Datsun		1,116		605	127	1,848
Fiat		1,318		284		1,602
Peugeot		1,424				1,424
Daihatsu	981		305	70		1,356
Toyota		781		297	234	1,312
Subaru	573	251	419			1,243
Seat	448	685				1,133
Renault	227	421		33		681
Mitsubishi		205	359	94	6	664
Ford		219		4		223
Volkswagen		291		49		340
Mazda		300				300
Hyundai		147		10		157
TOTAL	2,791	7,968	2,611	2,803	1,291	17,464

Source: Derco S.A.

Honda using plastic panel in steel sandwich

TOKYO. — A new composite material — two steel sheets sandwiching one of plastic — is being used by Honda Motor Co. to reduce weight in automobiles, according to a report published here.

The new product is equal in strength to cold-rolled steel sheet but is about 50 percent lighter, said the Japan Economic Journal.

The material, it said, was developed separately by two Japanese firms, Kawasaki Steel Corp. and Nisshin Steel Co. Honda is using the material made by Kawasaki.

Honda is using the material as part of the inner trunk panel in its Civic Van, the newspaper said, and is scheduled to use it for the air-cleaner casing in the Civic coupe and Accord.

factories list auction dates

General Motors

Jan. 17—Southern Auto Auction, East Windsor, Conn.

Jan. 18—Metro Auto Auction of Kansas City, Kansas City, Mo., and Atlanta Auto Auction, Red Oak, Ga.

Jan. 19 — Indianapolis Auto Auction, Indianapolis, Ind.

Jan. 25—Clanton's Auto Auction, Darlington, S. C.; Arena Auto Auction, Chicago, Ill., and Brasher's Auto Auction, Fontana, Calif.

Jan. 26—Butler Auto Auction, Gibsonia, Pa.

Jan. 30—Florida Auto Auction of Orlando, Orlando, Fla.

Jan. 31—South Seattle Auto Auction, Kent, Wash.

Feb. 2—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Feb. 9—Dallas Auto Auction, Dallas, Tex., and Aptco Auto Auction, Taylor, Mich.

Feb. 14—Southern Auto Auction, East Windsor, Conn.

Feb. 15—Hatfield Auto Auction, Hatfield, Pa.; Northstar Auto Auction, Shakopee, Minn., and Golden Gate Auto Auction, Fremont, Calif.

Feb. 16 —Nashville Auto Auction, Nashville, Tenn.

Feb. 22—Metro Auto Auction, Kansas City, Mo., and Clanton's Auto Auction, Darlington, S. C.

Ford Motor Co.

Jan. 17 — Harrisonburg Auto Auction, Harrisonburg, Va.

Jan. 18—Concord Auto Auction, Acton, Mass.

Jan. 19—Nashville Auto Auction, Nashville, Tenn., and 166 Auto Auction, Springfield, Mo.

Jan. 24—Aptco Auto Auction, Taylor, Mich.

Jan. 25 — Golden Gate Auto Auction, Fremont, Calif., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 26 — Skyline Auto Exchange, Fairfield, N. J.

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Auction Averages

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Month ago	$3,986
Year ago	$4,586

Model breakdown
Auction Averages

	January To Date	December	November
1984			
1983	$7,437	$9,583	$9,086
1982	6,168	6,445	7,035
1981	5,301	5,414	5,739
1980	4,007	4,734	4,813
1979	3,974	3,955	4,095
1978	2,487	2,959	3,187
1977	1,984	1,895	2,475
Overall Average	$5,244	$4,308	$5,059

Court enjoins Washington firm in 'pirating' case

LOS ANGELES. — A California federal court has prohibited Convertible Concepts, Ltd., of Blaine, Wash., from building, selling or disclosing information about a Camaro/Firebird convertible conversion designed by R. Straman Co., of Costa Mesa, Calif.

The restraining order, issued last month, follows a lawsuit filed by Richard Straman which charged that Convertible Concepts and its owner, Scott Lipton, had pirated his design.

Lipton said he was innocent of the charges but agreed to the restraining order.

Also named as a defendant in the lawsuit was Duquet-Sawdy, a Michigan specialty car firm. That litigation continues.

Dealer accused of bugging buyers

BUFFALO.—The State Attorney General's office has filed suit against suburban West Seneca Ford, charging dealership personnel with eavesdropping on potential customers to see what they would pay.

The suit charges that dealership personnel left would-be car buyers alone in a room monitored by an intercom. The information gleaned from the overheard conversations is said to have been used to determine a likely price for the car being considered by the customer.

Attorney General Robert Abrams said that because of these practices, "numerous consumers" paid higher prices for cars.

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Year opens with 1,357,995 units; 61-day supply

New-car stockpile pushes upward

Continued from Page 1

with a 63½-day stockpile, down slightly from 64 days a month earlier.

American Motors had an 81-day supply Jan. 1, up from 68 days Dec. 1 and heavy enough to cause the maker to trim production schedules for January. Renault stocks were heavy, while the supply of Eagles was still on the lean side.

Volkswagen of America had an 86-day supply of U.S.-built Rabbits Jan. 1, compared with a 58-day stock a month earlier, while Honda went into the new year with a 20-day supply of U.S.-built Accords, off slightly from 22 days on Dec. 1.

The Jan. 1 domestic new-car inventory was divided this way: GM, 54.29 percent; Ford Motor Co., 27.14 percent; Chrysler Corp., 12.71 percent; AMC, 3.88 percent; VWoA, 1.57 percent, and Honda, 0.41 percent.

A month earlier, the domestic new-car inventory was divided as follows: GM, 54.37 percent; Ford Motor Co., 27.84 percent; Chrysler Corp., 12.12 percent; AMC, 3.88 percent; VWoA, 1.41 percent, and Honda, 0.38 percent.

By size class, the standard and luxury segments were well below the total industry figures. All segments were up from the Dec. 1 levels.

On Jan. 1, the industry had the following days supplies by market class: Subcompact, 63; compact, 67; intermediate, 63; standard, 49, and luxury, 38.

A month earlier, days-supply figures by market class were: Subcompact, 62½; compact, 63; intermediate, 57½ standard, 45, and luxury, 34.

The Jan. 1 domestic inventory was divided this way among the market segments: Subcompact, 20.23 percent; compact, 26.26 percent; intermediate, 35.75 percent; standard, 10.06 percent, and luxury, 7.70 percent.

A month earlier, the inventory was divided as follows: Subcompact, 19.87 percent; compact, 26.47 percent; intermediate, 36.12 percent; standard, 10.08 percent, and luxury, 7.46 percent.

The Jan. 1 days-supply figures by market class were:

Subcompact — Fiero, 18; Accord, 20; Horizon, 55; Omni, 55; Escort, 59; Chevette, 63½; Laser, 65; Encore, 68; Turismo, 74; Daytona, 76; Lynx, 80; Rabbit, 86; EXP, 90; Charger, 98; Pontiac 1000, 99, and Alliance, 108½.

Compact — Eagle, 44; Cavalier, 46; Camaro, 58; LeBaron, 59; Reliant, 62; Firebird, 64; Aries, 66; Dodge 400, 73; Tempo, 76; Sunbird, 76; Topaz, 85; Mustang, 89; Cimarron, 93; Skyhawk, 98; Firenza, 113, and Capri, 138.

Intermediate — Malibu, 22; LTD, 44; Cutlass Ciera, 45; Pontiac 6000, 46; Cutlass Supreme, 51; E-Class, 52; Celebrity, 61; Century, 61; Grand Prix, 62½; Regal, 63; New Yorker E, 67; Marquis, 70; Bonneville, 71; Citation, 73; Thunderbird, 75; Dodge 600, 76; Monte Carlo, 82; Omega, 95; Cougar, 98; Phoenix, 98, and Skylark, 103.

Standard—Cordoba, 21; Gran Fury, 36; Olds 88, 37; Diplomat, 44; LeSabre, 48; Mirada, 50; Chevrolet, 56; Crown Victoria, 56; Grand Marquis, 56, and Parisienne, 56.

Luxury — Seville, 29; Eldorado, 31; Lincoln, 31; Cadillac, 38; Toronado, 38; Corvette, 38; Olds 98, 40; Electra, 47; Continental, 49; Riviera, 57, and Mark VII, 90.

NEW-CAR STOCKS

	Jan. 1, 1984	Dec. 1, 1983	Jan. 1, 1983
Alliance	108½	74½	61
Encore	68	70	....
Eagle	44	42	114
AMERICAN MOTORS	61	68	78
Horizon	55	63	51
Turismo	74	73½	57
Reliant	62	67	67
Gran Fury	36	33	115
Plymouth	61	66	60
LeBaron	59	55	70
Cordoba	21	57	73
E-Class	52	53	63½
New Yorker E	67	69	57
Fifth Avenue	50	75	72
Laser	65	52	—
Chrysler	59	56	69
Omni	55	66	43
Charger	98	93	55
Aries	66	66	59
Dodge 400	73	68	77
Dodge 600	76	69	57
Diplomat	44	53	73
Daytona	76	73	....
Dodge	70	70½	59½
CHRYSLER CORP.	63½	64	62
Escort	59	61	78
EXP	90	108	77
Mustang	89	60	103
Tempo	76	82	....
LTD	44	47	65
Thunderbird	75	82	37
Crown Victoria	56	50	52
Ford	63	65	63
Lynx	80	88	87
LN7	....	37½	61
Capri	138	88	84
Topaz	85	70	....
Marquis	70	55	74
Cougar XR-7	98	97	28
Grand Marquis	56	44	64
Mercury	75	72	68
Lincoln	31	27	41
Continental	49	41	56
Mark VII	90	50	46
Lincoln	56½	39	44½
FORD MOTOR	66	65	63
Skyhawk	98	52½	101
Skylark	103	63	91
Century	61	41½	45
Regal	63	43	81
LeSabre	48	38	62
Electra	47	33	70
Riviera	57	36	96
Buick	65	43½	72
Cimarron	93	86	54
Seville	29	27	30
Cadillac	38	33½	41
Eldorado	31	30	34
Cadillac	38	35	38
Chevette	63½	69	90
Cavalier	46	49	75
Citation	73	104	70
Camaro	58	53	68
Celebrity	61	52	56
Malibu	22	39	66½
Monte Carlo	82	80	91
Chevrolet	56	54	67
Corvette	38	35	95
Chevrolet	59	58	70½
Firenza	113	80	102
Omega	95	85	75
Ciera	45	40½	63
Cutlass	51	44	64
Olds 88	37	27½	44
Olds 98	40	27½	54
Toronado	38	48	68
Oldsmobile	49	41	59
1000	99	93	78
Fiero	18	17	....
Sunbird	76	79	72
Phoenix	98	99	74
Firebird	64	60	56
Bonneville	71	71	57
6000	46	52	55
Grand Prix	62½	77	86½
Parisienne	56	58	....
Pontiac	59	62½	63
GENERAL MOTORS	57	50	66
Volkswagen	86	58	87
Honda	20	22	....
TOTAL	61	55	65

Japanese near a road test of hydrogen-supply device

TOKYO.—A test device to supply hydrogen to an experimental hydrogen-powered automobile is under development in Japan, according to a report in the Japan Economic Journal.

The companies, Mitsubishi Heavy Industries, Ltd., and Mitsubishi Steel Mfg. Co., are expected to have the device ready for testing early this year.

The two companies were reported as revealing that they have developed a special process to absorb and store hydrogen in the form of an explosion-proof chemical compound.

When completed, the test device is to be tested with a hydrogen-powered auto engine now under develpoment by MITI's Mechanical Engineering Laboratory, the paper said.

The entire project is being supported by MITI's oil-saving Sunshine Project's hydrogen energy technology development program.

The prospective hydrogen-storing device is reported to be a vessel containing 22 stainless steel tubes, each measuring one meter long and 6 centimeters in diameter.

Each tube is filled with the chemical compound, sort of a powdery alloy, that either sucks hydrogen gas, preserves it or releases it.

When cooled down or pressurized, the alloy reacting to hydrogen absorbs the hydrogen and turns into a metallic compound and releases heat. When heated or depressurized, it emits hydrogen and absorbs heat.

When two sets of the device are used, the paper said, the proposed test vehicle will travel for about 110 miles after each hydrogen filling.

Linton succeeds Harris

ST. LOUIS. — Fred R. Harris, chairman of Broadway Ford Truck Sales, Inc., here, has retired. Ell R. Linton, president/general manager, was named by Ford Motor Co. as the dealer.

Adding Cadillac

Ray Grogg, Cadillac Minneapolis zone manager, looks on as Jack Larkin, president of Larkin's Tomah Auto Service, Tomah, Wis., signs an agreement to handle Cadillac. The firm has changed its name to Larkin's Pontiac-Cadillac-GMC, Inc.

Car output 48 pet. above last year

Makers build 150,551 for week

By Mary Beth Mayer
Staff Writer

Last week, domestic auto makers slated production of 150,551 units, a 10.63 percent improvement over the prior week's 136,097, and 48.57 percent better than 101,336 units built in the year-ago week.

The cumulative two-week total for the new year reached 286,648, up 58.68 percent from 180,650 in the comparable 1983 period.

Breakdown for the week by company was: General Motors, 65.27 percent; Ford Motor Co., 14.37 percent; Chrysler Corp., 14.22 percent; American Motors, 3.19 percent; Volkswagen of America, 1.56 percent, and Honda, 1.39 percent.

Four assembly plants were idle last week. Ford's Dearborn, Kansas City and Lorain (O.) points were shuttered for inventory realignment, while GM's Willow Run (Mich.) facility was closed to rearrange line speed.

Back last week after an extended holiday vacation was AMC's Kenosha (Wis.) plant.

Working two shifts on Saturday (Jan. 14) at GM were: Detroit, Flint (B-D and G lines), Lansing (B-D and G lines), Janesville (Wis.), Leeds (Mo.), Lordstown (O.) and Pontiac.

Five Ford facilities put in extra daily hours. They were: Chicago, Edison (N.J.), St. Louis, Wayne (Mich.) and Wixom (Mich.). This week, Atlanta, Chicago and St. Louis are on daily overtime.

At Chrysler, Belvidere (Ill.), Newark (Del.) and St. Louis No. 1 put in two daily 9-hour shifts. Jefferson (Detroit) worked two daily 8½-hour shifts and St. Louis No. 2 operated one daily 10-hour shift. The same daily schedule will be followed this week with the exception of St. Louis No. 2. Belvidere and St. Louis No. 1 worked two 8-hour shifts Saturday.

Beginning today, Jan. 16, Chrysler adds 1,500 workers at St. Louis No. 2 for a second shift to build the Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury. The two-shift operation will produce 640 cars per day, Chrysler said.

Honda plans second line to double Marysville output

GARDENA, Calif.—American Honda has announced plans to double the capacity of the company's Marysville (O.) assembly plant, adding a second line.

Construction on a 700,000-square-foot addition to the one-million - square - foot facility is scheduled to start within two months and the plant is expected to begin assembly of Civics by mid-1986. In 1988, the plant will be capable of operating at its capacity of 300,000 units per year. A Honda spokesman said the current facility is scheduled to reach its maximum capacity of 150,000 Accords per year this May.

The company also announced that it is evaluating sites for an automobile engine manufacturing plant in the U.S. The auto engine plant would be in addition to previously announced plans for a U.S. motorcycle engine facility.

Previously, Honda had announced it was going to invest $30 million to expand U.S. motorcycle operations to include engine production, beginning early in 1985.

The auto-plant expansion will require an investment of approximately $240 million for additional automated production and assemby - line equipment. This will increase total U.S. production investments to $580 million, affirming American Honda's commitment to reinvesting its earnings in the U.S.

• The $240 - million expansion will allow Honda to produce an additional 150,000 cars a year, beginning in mid-1986. Honda's current U.S. auto plant began production in November, 1982.

In Tokyo, Honda President Tadashi Kume said Honda is confident about expanding its U.S. production facilities because it is pleased with the quality of products turned out in Ohio and because of the "outstanding relationships Honda of America has enjoyed with its associates and the community."

Honda's U.S. production in 1983 was 40,783 motorcycles and 55,337 cars. This year, Honda expects to produce 70,000 motorcycles and 130,000 cars, including the production of the three-door Accord, in the U.S.

American Honda celebrates its 25th anniversary this year.

Volvo honors Riley for 20 years as dealer

STAMFORD, Conn. — James R. Riley, Stamford Volvo, has been honored for 20 years of service as a Volvo dealer.

Stamford Volvo has a staff of 22 people and sells more than 300 Volvos annually, according to Volvo of America Corp.

CANADIAN CAR PRODUCTION

	Week Ended Jan. 14, 1984	Week Ended Jan. 15, 1983	Week Ended Jan. 7, 1983	Jan. to date	Jan. 1 to Jan. 15, 1983	Jan. 1 to Jan. 15, 1984
AMERICAN MOTORS	600	755	488	1,088	1,963	1,088
CHRYSLER CORP.	.....	4,230	.....	.....	8,400	.....
FORD MOTOR	3,150	3,744	7,014	10,164	4,079	10,164
GENERAL MOTORS	13,511	8,548	9,867	23,378	17,006	23,378
VOLVO	225	225	128	353	450	353
Total Cars, Canada	17,486	17,502	17,497	34,983	31,898	34,983

TRUCK PRODUCTION IN U. S.†

	Week Ended Jan. 14, 1984	Week Ended Jan. 15, 1983	Week Ended Jan. 7, 1983	Jan. to date	Jan. 1 to Jan. 15, 1983	Jan. 1 to Jan. 15, 1984
CHEVROLET	20,461	12,586	15,912	36,373	21,196	36,373
DODGE	3,900	.....	3,109	7,009	.....	7,009
FORD	22,998	7,988	16,304	39,302	15,907	39,302
GMC	6,513	4,556	5,259	11,772	7,734	11,772
INTERNATIONAL	1,220	1,030	953	2,173	585*	2,173
JEEP	3,350	1,961	2,777	6,127	2,170	6,127
NISSAN	1,300	.....	1,321	2,621	.....	2,621
AM GENERAL	50*	50*	40*	90*	100*	90*
MISCELLANEOUS	1,000*	1,000*	800*	1,800*	2,000*	1,800*
Total Trucks, U.S.	60,792	29,171	46,475	107,267	49,692	107,267

CANADIAN TRUCK PRODUCTION

	Week Ended Jan. 14, 1984	Week Ended Jan. 15, 1983	Week Ended Jan. 7, 1983	Jan. to date	Jan. 1 to Jan. 15, 1983	Jan. 1 to Jan. 15, 1984
CHRYSLER CORP.	4,932	2,706	4,374	9,306	5,298	9,306
FORD MOTOR	2,700	248	2,702	5,402	499	5,402
GENERAL MOTORS	6,248	3,899	5,028	11,276	6,173	11,276
INTERNATIONAL	145	.....	107	252	.....	252
Total Trucks, Canada.	14,025	6,853	12,211	26,236	11,970	26,236
N. American Trucks	74,817	36,024	58,686	133,503	61,662	133,503

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

Truck production rises to 60,792, double '83 total

Last week, the first full week of production in the new year, the truck makers targeted completion of 60,792 units, leading the prior shortened week's 46,475 by 30.81 percent and more than twice the 29,171 built in the year-ago week.

During the first two weeks of assembly this year, the manufacturers produced 107,267 trucks, more than double the 49,692 finished in the same period in 1983.

Ten truck assembly facilities put in extra hours last week.

At General Motors, the Janesville (Wis.), Lordstown (O.) and Pontiac No. 5 plants worked two shifts Saturday (Jan. 14) while the Detroit point put in one shift that day.

Ford scheduled extra daily hours at all of its truck plants. This week, Ford plans the same overtime schedule.

Canadian makers double output of trucks for 1984

The Canadian truck makers have built more than twice as many units thus far this year as they did in the comparable 1983 period.

The estimated output for last week was 14,025, a 14.86 percent gain from the previous week's build of 12,211. The total was up substantially from 6,853 units completed in the year-ago week.

The manufacturers have assembled 26,236 trucks so far this year, compared with 11,970 through Jan. 15, 1983.

Chrysler Corp. slated production of 1,215 Dodge Caravans and 1,065 Plymouth Voyagers at its Windsor plant last week, bringing the year-to-date T-115 total to 4,422.

Auto production last week was targeted at 17,486 units compared with the prior week's 17,497 and the year-ago week's 17,502. However, the year-to-date total of 34,983 leads the 1983 total of 31,898 by 9.68 percent.

Chrysler is adding a second shift at its Windsor plant beginning today (Jan. 16), involving the addition of 1,750 workers. Daily production of minivans there will be 912 units, Chrysler said.

U. S. CAR PRODUCTION

	Week Ended Jan. 14, 1984	Week Ended Jan. 15, 1983	Week Ended Jan. 7, 1983	Jan. to date	Jan. 1 to Jan. 15, 1983	Jan. 1 to Jan. 15, 1984
AMERICAN MOTORS	4,800	3,863	.....	4,800	6,774	4,800
AMC Total	.....	831	.....	.....	800	.....
Eagle	.....	831	.....	.....	800	.....
Renault Total	4,800	3,032	.....	4,800	5,974	4,800
Alliance	2,400	3,032	.....	2,400	5,974	2,400
Encore	2,400	.....	.....	2,400	.....	2,400
CHRYSLER CORP.	21,400	10,685	16,990	38,390	10,550	38,390
Plymouth Total	6,950	3,445	4,245	11,195	3,450	11,195
Horizon	2,200	.....	385	2,585	.....	2,585
Reliant	4,400	3,390	3,526	7,926	3,400	7,926
Caravelle†	150	55	128	278	50	278
Gran Fury	200	.....	206	406	.....	406
Chrysler Total	6,100	3,227	6,770	12,870	2,900	12,870
LeBaron	1,600	1,986	1,858	3,458	1,900	3,458
Laser	1,400	.....	1,572	1,972	.....	1,972
Chrysler/E-Class	1,600	1,241	1,757	3,357	1,000	3,357
Fifth Avenue	1,500	.....	1,583	3,083	.....	3,083
Dodge Total	8,350	4,013	5,975	14,325	4,200	14,325
Omni	2,300	.....	346	2,646	.....	2,646
Aries	3,000	2,668	2,880	5,880	2,700	5,880
Daytona	1,600	.....	1,341	2,941	.....	2,941
Dodge 400	.....	534	.....	.....	600	.....
Dodge 600	1,300	811	1,280	2,580	900	2,580
Diplomat	150	.....	128	278	.....	278
FORD MOTOR	21,635	18,115	29,092	50,727	30,686	50,727
Ford Division	13,563	10,670	20,086	33,649	17,260	33,649
Escort	5,665	.....	5,946	11,611	.....	11,611
Fairmont	.....	2,958	.....	.....	5,967	.....
Mustang/Mustang II	.....	3,285	2,551	2,551	3,168	2,551
LTD/Granada	4,796	3,020	3,524	8,320	6,138	8,320
Thunderbird	326	611	3,280	3,606	488	3,606
Crown Victoria/Ford	2,035	796	1,636	3,671	1,499	3,671
EXP	741	.....	434	1,175	.....	1,175
Tempo	.....	.....	2,715	2,715	.....	2,715
L-M Division	8,072	7,445	9,006	17,078	13,426	17,078
Mercury Total	4,838	5,372	5,858	10,696	9,306	10,696
Lynx	1,042	.....	1,027	2,069	.....	2,069
Capri	.....	633	256	256	670	256
Zephyr	.....	922	.....	.....	1,769	.....
Marquis/Cougar	1,932	1,012	1,237	3,169	1,910	3,169
Cougar/RX7	284	293	1,549	1,833	244	1,833
Cr. Marquis/Marquis	1,580	2,512	1,193	2,773	4,713	2,773
Topaz	.....	.....	596	596	.....	596
Lincoln Total	3,234	2,073	3,148	6,382	4,120	6,382
Continental	607	415	609	1,216	824	1,216
Lincoln	808	976	786	1,594	1,932	1,594
Mark VI/VII	1,819	682	1,753	3,572	1,364	3,572
GENERAL MOTORS	98,266	65,546	86,000	184,266	126,052	184,266
Buick Division	19,893	14,375	19,227	39,120	29,215	39,120
Skylark	.....	274	2,720	2,720	290	2,720
Skyhawk J	3,720	1,503	2,963	6,683	3,158	6,683
Century	4,110	2,723	3,619	7,729	5,450	7,729
Regal	4,770	5,098	3,953	8,723	10,906	8,723
Buick	5,657	4,005	4,742	10,399	7,929	10,399
Riviera	1,325	772	1,060	2,385	1,482	2,385
Electra (fwd)	311	.....	170	481	.....	481
Cadillac Division	7,277	6,593	5,754	13,025	13,162	13,025
Cimarron	515	486	359	874	1,091	874
Seville	740	572	589	1,329	1,087	1,329
Eldorado	1,425	1,637	1,130	2,555	3,106	2,555
Cadillac	4,254	3,898	3,599	7,853	7,878	7,853
DeVille (fwd)	337	.....	77	414	.....	414
Chevrolet Division	33,873	20,230	28,161	62,034	38,891	62,034
Chevette	4,265	4,991	3,489	7,754	4,550	7,754
Cavalier	9,045	3,109	6,955	16,000	5,927	16,000
Celebrity	5,628	1,433	4,501	10,129	3,510	10,129
Camaro	5,393	3,853	4,580	9,973	7,798	9,973
Citation	1,892	2,587	1,489	3,381	3,759	3,381
Malibu/El Camino	471	2,220	516	987	4,947	987
Monte Carlo	4,067	1,434	3,760	7,827	2,963	7,827
Chevrolet	2,337	597	2,257	4,594	5,377	4,594
Corvette	775	6	614	1,389	60	1,389
Oldsmobile Division	25,638	17,778	23,385	49,023	32,942	49,023
Omega	.....	.....	1,397	1,397	.....	1,397
Firenza	1,920	661	1,751	3,671	1,202	3,671
Cutlass	7,620	6,109	6,647	14,267	10,900	14,267
Cutlass/Ciera	4,922	2,445	4,676	9,598	4,902	9,598
Oldsmobile	9,952	7,749	8,063	18,015	14,378	18,015
Olds 98 (fwd)	344	.....	140	484	.....	484
Toronado	880	814	711	1,519	1,560	1,591
Pontiac Division	11,591	6,570	9,473	21,064	11,842	21,064
Acadian†	.....	178	243	243	.....	243
2000	3,480	1,573	2,544	6,024	3,091	6,024
1000	795	686	570	1,365	1,050	1,365
Firebird	2,291	1,592	2,346	4,637	3,179	4,637
Phoenix	495	775	399	894	715	894
G. Prix/Bonneville	1,470	1,766	1,202	2,672	3,807	2,672
Parisienne	440	.....	437	877	.....	877
Fiero	2,620	.....	1,732	4,352	.....	4,352
HONDA	2,100	100*	2,147	4,247	200*	4,247
VOLKSWAGEN	2,350	3,027	1,868	4,218	6,388	4,218
Total Cars, U.S.	150,551	101,336	136,097	286,648	180,650	286,648
Total Cars, Canada	17,486	17,502	17,497	34,983	31,898	34,983
N. American Cars	168,037	118,838	153,594	321,631	212,548	321,631
N. American Trucks	74,817	36,024	58,686	133,503	61,662	133,503
North American Cars and Trucks	242,854	154,862	212,280	455,134	274,210	455,134

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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New peak eyed by GM-Europe after '83 mark

By Richard Feast
European Editor

BRUSSELS.—General Motors has just enjoyed its best-ever sales year in Europe, but will be aiming for more in 1984, according to Ferdinand J. Beickler, chairman and managing director of Adam Opel.

Quoting preliminary figures, Beickler said sales of Opel and Vauxhall Car rose 22.50 percent —some 215,000 cars—to an all-time high of 1,170,000 last year. The figure broke the previous best, set in 1978, by 150,000.

"And that was accomplished in an overall European market which grew by less than 5 percent. Thus our company once again recorded the highest growth rate among all European volume car manufacturers," said Beickler.

He forecast 1984 GM sales of more than 1.2 million, close to a market share of 12 percent.

GM believes this year's market will be worth about 10.5 million units, rising to 10.8 million next year and 12.5 million by 1990.

Opel has made advances across the whole of Europe, with the exception of one country: Italy. The aggressive approach adopted by Fiat, with a new model (Uno) in competition with the one with which Opel hoped to increase sales (Corsa), saw all other importers fall back as well.

John G. Bagshaw, Opel executive director for sales, agreed that Italy will be one of this year's priorities. There will be substantial changes in pricing and advertising policies, to follow personnel changes in the country.

Another priority, he reported, is to improve business beyond Europe, including the Middle East and Africa.

This year, GM will invest about $1 billion in Europe as part of its $6 billion investment program. Next year's total could be up to 10 percent more, Beickler forecasted.

The Opel officials were gathered at the International Motor Show at Brussels, where the European Community has [illegible] headquarters. It prompted Beickler to call for a "joint [illegible] political solution to the lead-free fuel issue."

With Germany seemingly pressing ahead for lead-free gas by 1986, Beickler stressed, "Such important decisions cannot be made piecemeal. They need to be made on the European level, in order to minimize the cost to the consumer and maximize the benefits to society."

Little boat

From Ford of Europe and Ghia

Ford Motor Co. has revealed this design concept for a two-passenger convertible, called the Barchetta, or "little boat." The body was designed jointly by Ford of Europe and Ghia Operations in Turin. The design uses the current Fiesta XR2 platform and mechanicals. Ford has no immediate plans to manufacture a vehicle of this type.

Import-car stocks steady at 30 days; many makes short

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars inched upward during December—at least it appeared to. In fact, it was an illusion, caused by a slightly lower selling rate.

The industry had a 30-day supply of new imported cars in stock Jan. 1, up from 29 days a month earlier. But the actual number of cars in dealer and port inventories declined to 223,527, compared with 224,290 on Dec. 1.

A year earlier, there were 380,316 new imported cars in inventory on Jan. 1, which was a healthy 54-day supply.

This year's inventory was riddled with shortages, many of which were severe enough to keep a lid on sales. Paradoxically, the bare-bones inventory was probably the cause of the higher days-supply figure Jan. 1.

The supply of new imported pickup trucks declined during December, to 47 days from 55 a month earlier. But in a reversal of the car situation, the industry had more imported trucks in stock Jan. 1 than a month earlier, 81,748 compared with 81,322.

The combined imported car and truck inventory Jan. 1 totaled 305,275, a 33-day supply, virtually unchanged from the Dec. 1 stock of 305,162, also a 33-day supply.

• Japanese lines were again unable to build up stocks and remained at 24 days for the third straight month. Individual nameplate inventories ranged from virtually gone (Toyota) to short. Only Chrysler Corp. had a strong supply of Japanese cars.

There were 142,261 Japanese-built cars in inventory Jan. 1, off slightly from 142,578 a month earlier.

Japanese makes and their Jan. 1 days-supply figures were: Toyota, 10; Honda, 24; Nissan, 26; Subaru, 33; Mitsubishi, 33; Mazda, 36, and Isuzu, 45. Chrysler had a 69-day supply of Mitsubishi-built cars, including: Plymouth Vista, 38; Dodge Vis-

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Domestic deliveries up 32 pct. for Jan. 1-10; all makers gain

Car-sales year opens with a bang

By Jenny L. King
Staff Writer

U. S. auto makers accelerated into the 1984 calendar sales year with a 32.19-percent increase and their best early January total since 1980. Increases for the individual companies ranged from 12.14 percent at American Motors to Ford Motor Co.'s 43.37-percent rise.

The six makers combined forces to retail 149,136 units Jan. 1-10, up 32.19 percent from 112,822 a year earlier and strongest since 160,000 back in 1980.

General Motors reported first-period sales of 91,488, up 25.59 percent from 72,849 last year. Ford Motor Co. was up 43.37 percent, to 32,673 from 22,709. Chrysler's total reached 16,935, up 32.41 percent from 12,790. AMC was up 12.14 percent, to 3,925 from 3,500; Volkswagen was up 27.21 percent, to 1,239 from 974, and Honda dealers retailed 2,076 Ohio-built Accords. There were no year-ago figures for Honda for the 10 days, its first U. S. report was made at the end of January, 1983.

GM's share of the market dropped to 61.35 percent from 64.57 percent. Ford climbed to 21.90 percent from 20.13 percent. Chrysler had 11.36 percent, up slightly from 11.34 percent. AMC dropped to 2.63 percent from 3.10 percent. VW had 0.83 percent this year compared with 0.86 in 1983, and Honda held 1.93 percent of the current market.

• Cadillac announced that its sales of 8,505 new cars in the first January period were a record, beating out the previous

Continued on Page 50, Col. 4

AMC-Chinese venture takes a step forward

BEIJING, China. — Beijing Jeep Corp., Ltd. (BJC), a $51 million joint venture between American Motors and Beijing Automotive Works (BAW), has begun the upgrading of plant and equipment in anticipation of producing four-wheel-drive utility vehicles and trucks here.

Representing AMC at a ceremony hosted by the Chinese foreign trade minister and the mayor of Beijing, Tod Clare, AMC vice president of international operations, called the occasion "the first step toward changing the balance of the automotive industry in Asia."

"The Far East has become the world's fastest growing four-wheel-drive market," Clare said. "Until now, it has been dominated by a single country, Japan."

Clare told the Chinese officials that BJC "has the potential for transforming China into an automotive export base to compete with Japan."

"For American Motors," he said, "the joint venture means not only an entry into the Chinese market but the establishment of a strategic manufacturing base for competing in other Far East markets.

"For our Chinese partners, it means access to AMC four-wheel-drive technology and management systems as well as the potential for major automotive exports," Clare said.

The agreement establishing the joint venture was signed here last May. BAW's equity is 68.7 percent and AMC's 31.3 percent.

BJC's initial production plans call for approximately 20,000 vehicles in 1984.

These vehicles, to be marketed in China, will be an upgraded version of BAW's current BJ 212 model and will feature the new AMC 2.5-liter four-cylinder engine introduced in the U. S. last fall.

Beyond 1984, BJC will develop a new series of vehicles derived from a platform compatible with AMC product plans.

breaking news

Japanese makers budget more for R&D

TOKYO.—The six major Japanese auto makers plan to increase spending for research and development this year, according to a report published here. Money will be spent for test tracks, wind tunnels, design centers and R&D facilities. R&D spending is expected to increase 10 percent over last year, although the makers plan cutbacks in plants and equipment.

Car costs sliced for 2nd time in history

NEW YORK.—For only the second time in history, costs to own and run a new compact car declined in 1983, Hertz Corp. said. In its annual auto expense estimate, Hertz said the 1983 cost for a compact was 43.28 cents a mile, down 3.1 percent from 44.67 cents a year earlier. The 1.4-cents-a-mile drop ended a decade of jumps that boosted operating outlays 174 percent, Hertz said. The drop was attributed to lower interest rates and decreased gasoline costs. Average purchase price rose 3.2 percent, Hertz said.

Ford sells Montego name to Austin Rover

LONDON.—Ford Motor Co. has sold its registered Montego name to Austin Rover for use on the forthcoming (April) sedan version of the Maestro hatchback. Montego has never been used in Europe. The Austin Rover model is the one known by the LM11 code name.

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